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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92058956
Party	Defendant 578539 B.C. Ltd.
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BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

Registration No. 4,156,487

Mark: MAICO and Design

J. GARY KORTZ,

Petitioner,

v.

578539 B.C Ltd.,

Respondent.

Cancellation No. 92058956

**MOTION FOR JUDGMENT ON
THE PLEADINGS**

Pursuant to Federal Rule of Civil Procedure 12 (c), Respondent hereby moves for judgment on the pleadings because the facts and legal theories pleaded by Petitioner do not state any claim on which the Board can grant relief. The motion is timely because the trial period has not yet begun.

I. BACKGROUND

Respondent is the owner of registration no. 4,156,487.¹ This registration was also the subject of a second cancellation petition that the Board dismissed with prejudice. *Eric Cook v. 578539 B.C Ltd.*, No. 92058956 (Order of December 2, 2015)(Docket No. 16)(not precedential). Three of the four claims in this proceeding are identical to those made by Mr. Cook and they should meet the same fate.

¹ This registration was the subject of *578539 B.C Ltd., v. Kortz*, Civ. No. 14-04375-MMM (MANx). Mr. Kortz counterclaimed for cancellation in that case, making most of the same claims it has made in this Petition. The case was dismissed without prejudice because Mr. Kortz wanted the Board not the Court to adjudicate his cancellation claim.

Petitioner claims that the trademark MAICO was owned by a German company that “failed” in 1986 and “no longer exists.” (Petition, p.1)(Docket No. 1). He pleads that Respondent has engaged in the following conduct:

- “deceiving the public and falsely suggesting a connection to the original Maico, which was well known for producing motorcycle parts; “
- “attempt[ing] to extort licensing and royalty fees from [Petitioner];”
- “deceiv[ing] the public and the USPTO as to his real intent of this registration of trademark [which] is to use this trademark to stifle competition in the market place;”
- “acquiring the trademark in 2012 [but] [b]efore 2012, this logo has been freely and widely used without any defense from the previous owner. It has been considered in the public domain for well over 10 years before it was considered abandoned and then registered by [Respondent.]”

In the cover sheet to the Petition, Petitioner claims that that the registration should be cancelled because: (a) it is deceptive under Section 2 (a) of the Act; (b) there is a false suggestion of connection under Section 2 (a) of the Act, (c) Respondent engaged in fraud in its procurement, and (d) the mark is generic.

II. ARGUMENT

A. Legal Standards

On a motion for judgment on the pleadings, all well pleaded factual allegations of the nonmoving party must be accepted as true. All reasonable inferences are drawn in favor of the

1 nonmoving party. The motion must be granted if the moving party is entitled to judgment as a
2 matter of law. *Kraft Group LLC v. Harpole*, 90 U.S.P.Q.2d 1837, 1840 (TTAB 2009); *Baroid*
3 *Drilling Fluids Inc. v. Sun Drilling Products*, 24 U.S.P.Q.2d 1048, 1049 (TTAB 1992). Because
4 a Rule 12 (c) motion is functionally identical to a Rule 12(b)(6) motion, the legal standards are
5 the same. *Cary v. United States*, 552 F. 3d 1373, 1376 (Fed. Cir. 2009); *Dworkin v. Hustler*
6 *Magazine Inc.*, 867 F.2d 1188, 1192 (9th Cir. 1989); *Western Worldwide Enterprises Group Inc.*
7 *v. Qinqdao Brewery*, 17 USPQ2d 1137, 1139 (TTAB 1990) (since motion based on defense that
8 petition fails to state claim, standard for adjudicating motion for judgment on pleading is same as
9 Fed. R. Civ. P. 12(b)(6)).

10 Federal Rule of Civil Procedure 12(b)(6) permits dismissal for "failure to state a claim
11 upon which relief can be granted." Dismissal is appropriate where the Complaint lacks a
12 cognizable legal theory or sufficient facts to support same. *See Balistreri v. Pacifica Police*
13 *Dep't*, 901 F.2d 696, 699 (9th Cir. 1990). In order to survive Respondent's motion, Petitioner
14 must show that there is at least one valid ground for cancelling the Registration. *Young v. AGB*
15 *Corp.*, 152 F.3d 1377 (Fed. Cir. 1998); TBMP § 504.02. The purpose of a Rule 12 motion is "to
16 allow the [Board] to eliminate actions that are fatally flawed in their legal premises and destined
17 to fail, and thus spare litigants the burdens of unnecessary pretrial and trial activity. *Advanced*
18 *Cardiovascular Systems, Inc. v. SciMed Life Systems, Inc.*, 988 F.2d 1157, 1160 (Fed. Cir.
19 1993)(citing cases.)

20 **B. The Section 2 (a) False Suggestion Claim**

21 In order to state a claim of false suggestion under Section 2 (a) of the Lanham Act,
22 Petitioner must allege facts from which it may be inferred that the Respondent's mark points
23 "uniquely" to **Petitioner** as an entity – i.e., that Respondent's mark is **Petitioner's identity** or
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1 “persona” – and that purchasers would assume that goods and/or services bearing Respondent’s
2 mark are connected with Petitioner. *See Univ. of Notre Dame du Lac v. J.C. Gourmet Food,*
3 *Imports Co., Inc.*, 703 F.2d 1372 (Fed. Cir. 1983); *Nike, Inc. v. Palm Beach Crossfit Inc. d/b/a*
4 *Crossfit CityPlace*, 116 U.S.P.Q.2d 1025 (TTAB 2015).

5 Judgment must be granted because Petitioner fails to state a claim. He pleads that by
6 using the registered mark the Respondent is “falsely suggesting a connection to the original
7 Maico,” not Petitioner. There is no allegation that Petitioner is the original Maico; in fact the
8 Petition states otherwise by pleading that the original Maico ceased to exist twenty nine (29)
9 years ago and that the original Maico trademark had been “abandoned.” There are no facts
10 pleaded which, if proven, would establish that the registered mark points “uniquely” to
11 Petitioner. To the contrary, the Petition pleads that others have used this mark and that it is “in
12 the public domain.” Similarly, there is no allegation that consumers who see Respondent’s
13 mark will think that Respondent is connected with Petitioner. This was the same theory pleaded
14 and dismissed with prejudice in the Cook case. *See Eric Cook v. 578539 B.C Ltd.*, No. 92058956
15 (Order of December 2, 2015)(Docket No. 16)(not precedential). Thus, even if every pleaded fact
16 is proven, they would not prove a false suggestion claim and, therefore, judgment should be
17 entered against Petitioner.

18 **C. The Section 2 (a) Deceptiveness Claim**

19 A deceptiveness claim under Section 2 (a) requires Petitioner to prove that the mark
20 inherently would cause consumers to draw a false conclusion about the nature or quality of
21 goods or services under circumstances where such a conclusion would be material to the
22 consumer’s deliberations regarding purchase of the goods or service. The claim has three
23 elements: (1) is the term misdescriptive of the character, quality, function, composition or use of
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1 the goods; (2) are prospective purchasers likely to believe that the misdescription actually
2 describes the goods; and (3) is the misdescription likely to affect the decision to purchase. *In re*
3 *Budge Manufacturing Co., Inc.*, 857 F.2d 773 (Fed. Cir. 1988). This flows from the plain
4 language of Section 2 (a), which states that a mark may be cancelled if it “consists or comprises
5deceptivematter.” 15 U.S.C. § 1052 (a).

6 The Petition does not allege any facts to support any element of the test. Instead, it
7 alleges only that the registered mark is deceptive because of the manner in which it has been
8 used by Respondent, i.e., (1) by falsely suggesting a connection to the original Maico company,
9 and (2) by “deceiv[ing] the public and the USPTO as to his real intent of this registration of
10 trademark [which] is to use this trademark to stifle competition in the market place.” Even if
11 proven this would not establish a deceptiveness claim because each of the alleged “deceptive”
12 acts is derived from the conduct of Petitioner in the marketplace and is not inherent in the mark
13 itself. Petitioner does not claim that the mark consists of or comprises deceptive matter nor can
14 it; the goods are motorcycles and MAICO is obviously a fanciful term when used in connection
15 with motorcycles. This is the same theory that was dismissed with prejudice in the Cook case.
16 *See Eric Cook v. 578539 B.C Ltd.*, No. 92058956 (Order of December 2, 2015)(Docket No.
17 16)(not precedential). Judgment should therefore be entered for Respondent on the claim.

18 **D. The Genericness Claim**

19 A generic term is one that comprises the genus of the goods, in this case motorcycles.
20 *See In re Hotels.com, LP*, 573 F. 3d 1300, 1302-1304 (Fed. Cir. 2009). Maico is not a dictionary
21 term and is not the genus for motorcycles. It is a coined term or, as Petitioner pleads, a brand
22 name created initially by the defunct company. Judgment should also be entered for Respondent
23 on this claim because there are no facts on which the Board could find that the mark is generic
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1 for motorcycles; in fact, the Petition itself negates this conclusion because it pleads that MAICO
2 is a trademark created by the defunct German company.

3 **E. The Fraud Claim**

4 Fraud in procuring a trademark registration occurs when an applicant knowingly makes
5 false, material representations of fact in connection with its application. *Torres v. Cantine*
6 *Torresella S.r.l.*, 808 F.2d 46, 48 (Fed. Cir.1986). There is no fraud if a false misrepresentation
7 is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive.
8 *Smith Int'l, Inc. v. Olin Corp.*, 209 U.S.P.Q. 1033, 1044 (TTAB 1981). The standard for finding
9 intent to deceive requires more than proof that the trademark applicant should have known of the
10 falsity of the material representations of fact. *In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009).
11 The elements of fraud must be pleaded with particularity in accordance with Fed. R. Civ. P.
12 9 (b). *See Asian and Western Classics B.V. v. Selkow*, 92 U.S.P.Q.2d 1478, 1478 (TTAB 2009).
13 This requires an explicit recitation of the circumstances allegedly constituting fraud: who, what,
14 when, where, and how. *See King Auto., Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008
15 (CCPA 1981). None of this has been alleged here. The Petition alleges only that Respondent is
16 deceiving the public and the PTO as to its “true intent” in registering the mark. This does not
17 constitute fraud. *See Eric Cook v. 578539 B.C Ltd.*, No. 92058956 (Order of December 2,
18 2015)(Docket No. 16)(not precedential). Accordingly, judgment should be entered on the fraud
19 claim.

20 **F. The Board Has No Jurisdiction to Consider the Use-based Claims**

21 A Federal registration is presumed to be valid. *See* 15 U.S.C. § 1057 (b); *see, e.g., Tie*
22 *Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 783 (9th Cir. 2002); *Sengoku Works Ltd. v. RMC*
23 *Intern., Ltd.*, 96 F.3d 1217, 1219–20 (9th Cir. 1996). The Board may only cancel a registration
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1 on grounds set forth in Sections 17, 18, 20 and 24 of the Lanham Act. These do not include
2 grounds arising from how the Respondent has enforced or used the registered mark in the
3 marketplace. *See, e.g.*, TBMP § 102.01; Board of Trustees of University of Alabama v. Pitts,
4 107 U.S.P.Q.2d 2001, 2022 (TTAB 2013)(no jurisdiction over unfair competition claims);
5 *Enterprise Rent-A-Car Co. v. Advantage Rent-A-Car Inc.*, 62 U.S.P.Q.2d 1857, 1858 (TTAB
6 2002), *aff'd*, 300 F.3d 1333 (Fed. Cir. 2003) (no jurisdiction to decide issues arising under state
7 dilution laws); *cf. American-International Travel Service, Inc. v. Aits, Inc.*, 174 U.S.P.Q. 175
8 (TTAB 1972) (no jurisdiction to determine whether the acts of an opposer constituted a violation
9 of a criminal statute).

10 Assuming that the pleaded facts are true, judgment must be granted on each of pleaded
11 claims because it is clear from the Petition that Petitioner's gripe arises solely from the actions
12 that Respondent has taken to enforce its trademark rights (requesting licensing or royalty fees,
13 deceiving the public, and engaging in unfair competition). The Board does not have subject
14 matter jurisdiction over these claims. It can only determine the right to register. *See* Lanham
15 Act Sections 17, 18, 20 and 24; *Eric Cook v. 578539 B.C Ltd.*, No. 92058956 (Order of
16 December 2, 2015)(Docket No. 16)(not precedential). Thus, even if there were facts supporting
17 these claims, they would not establish a claim that the Board could adjudicate.

18 **G. Respondent Had a Right to Register an Abandoned Mark**

19 Petitioner essentially claims that Respondent did not have a right to register the
20 trademark; it was "in the public domain and had been "abandoned" by the original German
21 owner. Petitioner is wrong; once a mark has been abandoned it is available for adoption by a
22 third party. *See General Motors Corp. v. Aristide & Co., Antiquaires de Marques*, 87 U.S.P.Q.2d
23 1179 (TTAB 2008).

1 **III. CONCLUSION**

2 The Board has previously dismissed with prejudice a petition filed by another of
3 Respondent's competitors that raised very similar grounds as this one. It should again do so.
4 Judgment should be entered for Respondent.

5 Respectfully submitted,

6 **LAW OFFICE OF PAUL W. REIDL**

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9 By: _____

10 Dated: December 12, 2015

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on Petitioner by placing a true copy thereof in the United States mail enclosed in an envelope, postage prepaid, addressed as follows to their counsel of record at his present business address:

Executed on December 12, 2015 at Half Moon Bay, California.

James Beird